



## Mission Overview



USAID funded improvements to the Batticaloa Municipal Market have created a cleaner, safer, and more attractive environment for customers and vendors alike. Photo by USAID/Gemunu Amarasinghe.

### United States Agency for International Development (USAID)

The United States has a long history of extending a helping hand to those people overseas struggling to make a better life, recover from a disaster or striving to live in a free and democratic country. USAID is an independent federal government agency that receives overall foreign policy guidance from the U.S. Secretary of State.

In Asia, USAID has operations in 21 countries. In recent years, this vast and diverse region has experienced vibrant economic growth and significant advances in poverty reduction, yet ensuring that economic growth is equitable and sustainable remains a challenge throughout Asia.

Countries in Asia also face unpredictable challenges in the areas of health, natural disasters, and conflict. USAID responds to these challenges with innovative

programming that emphasizes economic growth, poverty alleviation, education, health, disaster preparedness and democracy to create a more secure, democratic and prosperous region.

### USAID/Sri Lanka

Since 1956, the U.S. Government and the Government of Sri Lanka have enjoyed a partnership in development of almost \$2 billion in foreign assistance for development programming, stabilization, relief to internally displaced persons, housing guaranty, and disaster relief assistance.

USAID has helped improve transportation systems in Sri Lanka through railway and highway development, and increased access to housing for low-income families. USAID contributes to Sri Lanka's economic growth and democratic development by promoting the private sector, facilitating economic growth in lagging regions and promoting reconciliation.

## USAID focuses on Eastern Sri Lanka



Batticaloa Lighthouse Park, recently restored by USAID and once again open for local residents to relax and play. Photo by USAID/Gemunu Amarasinghe.

Through USAID, the American government remains committed to bilateral assistance to Sri Lanka despite the ongoing conflict and challenging security situation. From 2008, USAID has developed a new strategy to deliver assistance to conflict affected populations, focusing in particular on contributing to a positive transformation of Sri Lanka's Eastern Province.

### **Economic and Social Transition (EAST)**

The EAST strategy is based on the premise that economic growth can contribute to building social and economic security to help establish conditions conducive to a political solution through focusing on regional needs.

EAST consists of two programs:

1. The Supporting Regional Governance (SuRG) program, aimed at creating structures and developing capacity for increased citizen engagement in regional and local government, strengthening inter-community reconciliation, and promoting social equity.
2. Connecting Regional Economies (CORE), designed to increase social and economic security in Eastern Sri Lanka by working to establish conditions whereby sustained economic development can be launched.

### **Supporting Stabilization in the East**

In addition to the Economic and Social Transition (EAST)

development strategy, USAID is supporting a range of shorter-term activities that support a return to normalcy in Sri Lanka's East, particularly for those communities and individuals most affected by the 25-year conflict. One ongoing program supports the improvement of community infrastructure in areas of the Batticaloa and Trincomalee districts to which displaced populations have returned; with humanitarian assistance funding from the U.S. Pacific Command and USAID oversight, rehabilitation and expansion of seven schools and one hospital in these districts began in late 2008, and possible additional activities have been identified for 2009. In addition, under a new program scheduled to begin in early 2009, USAID will support activities aimed at reintegrating ex-combatants and their communities through counseling, basic education and vocational training linked to employment opportunities, as well as small grants that address local priorities and foster collaboration between local authorities and their constituents. Other activities under this new program include collecting baseline data to help resolve land disputes, fast-tracking implementation of the Official Language Policy, and supporting creative approaches to improving the quality of information and communication on issues of local importance in the East, with a particular focus on the Batticaloa District.



The Supporting Regional Governance (SuRG) program will implement programs in democracy and governance, targeting the Eastern Province. To promote regional integration, the program will support activities in the adjoining district of Polonnaruwa. The program will strengthen the process of post-conflict transformation in the Eastern Province that began in 2007. The program will increase citizen engagement in local government, strengthen inter-community reconciliation, and promote social equity through the following four components:



- Increase citizens' knowledge about how to access national, regional or local government services.
- Support civil society organizations to promote social equity as an integral part of their mandate.
- Train members of provincial bar associations and the regional judiciary on the role of the legal system in conflict transformation in the East.

- Work with local governments to provide language training in Tamil or Sinhala, technical assistance, and training in participatory planning, budgeting and financial management.

- Strengthen key national peace mechanisms, including the Secretariat for Coordinating the Peace Process and the Peace Secretariat for Muslims.
- Engage communities in activities that promote good governance and community-led development through citizen participation, reconciliation, and women's civic participation.

- Support regional journalist organizations and train print and radio journalists in the Eastern Province to improve and increase the reporting of regional news.



-  People's Forum  
 Selected Local Authority  
 District Boundary  
 Local Govt. Area Boundary

# Connecting Regional Economies 2008 - 2011



USAID enhances household economic security by promoting economic growth and livelihood. Photo by USAID/Gemunu Amarasinghe.

As part of the US Government's integrated strategy to address the root causes of conflict in Sri Lanka, Connecting Regional Economies (CORE) is designed to increase social and economic security in Eastern Sri Lanka. By addressing the disparity in economic development between Eastern Sri Lanka and the more prosperous Western Province, CORE aims to establish conditions whereby sustained private sector-led economic development can be launched. The CORE program will work in the Eastern Province, Anuradhapura and Polonnaruwa Districts with the following five objectives:

## **1. Support livelihood development for vulnerable populations:**

- Restore economic activity to war-torn populations at the household level, especially for women and others directly impacted by the North-East conflict.
- Assist small businesses to participate in value-chains to access new markets.

## **2. Promote the competitiveness of agriculturally based value chains:**

- Strengthen the indigenous private sector.
- Identify value chains with potential for growth.
- Provide assistance to upgrade businesses and farmers.

## **3. Ensure that groups in conflict-affected areas benefit from participation in selected value chains:**

- Facilitate access to finance and capital equipment.
- Provide business and agricultural services.
- Enhance utilization of ICT applications.

## **4. Implement a workforce development strategy:**

- Assess gaps in the demands of private sector job market.
- Develop public/private partnerships to ensure training programs meet market demands.
- Develop apprenticeships and on-the-job training.

## **5. Promote a business enabling environment:**

- Conduct policy dialogue with the Government of Sri Lanka.
- Build business networks for policy advocacy.



# Humanitarian Assistance and Emergency Response

USAID's Humanitarian Assistance program provides child protection through a community based approach, offers psychosocial support to people affected by violence, prevents the spread of Avian Influenza, supports people with disabilities, responds to natural and complex emergencies, and strengthens the capacity of local organizations to provide humanitarian services to meet emerging needs among vulnerable populations.

Key programs include the six-year New Beginnings program, implemented by Save the Children in Sri Lanka, which aims to reunite children living in institutions with their families, and the six-year Reducing Effects of Incidents of Torture (RESIST) program, implemented by the Asia Foundation, which aims to restore quality of life to survivors of violence and to reduce future incidences of violence in Sri Lanka. USAID's Office of Foreign Disaster Assistance (OFDA) funds are addressing immediate complex and natural disasters relief and

rehabilitation in order to save lives and reduce human suffering, and have been actively engaged in responding to Sri Lanka's emergencies, including the ongoing internal conflict and natural disasters such as the 2004 tsunami.

USAID, through its Office of Food for Peace, is responding to humanitarian needs by providing food relief to the UN's World Food Program (WFP), and OFDA supports logistics, protection, and coordination and information management activities. In January 2008, USAID issued its first award under a new umbrella grant program, implemented by the United Methodist Committee on Relief (UMCOR) for emergency recovery activities in Sri Lanka's North and East. Currently twenty sub-grants have been issued under this program benefiting more than 167,000 people in the conflict affected areas. USAID also funds the Lifeline project to give information to IDPs through targeted radio programs and printed materials.



USAID Mission Director Rebecca Cohn meets kids in one of the 87 new USAID funded playgrounds along Sri Lanka's coastline. Photo by USAID Sri Lanka.

# Rebuilding after the Tsunami

Between 2005 and 2009, USAID implemented a \$135 million comprehensive tsunami relief and reconstruction program in Sri Lanka, targeting the worst hit coastal districts. With activities ranging from emergency assistance, to community involvement, vocational education and major infrastructure reconstruction, USAID strengthened its partnership with the private sector in the process to assist local communities to grow their economies and recover from the devastating tsunami.

## Highlights:

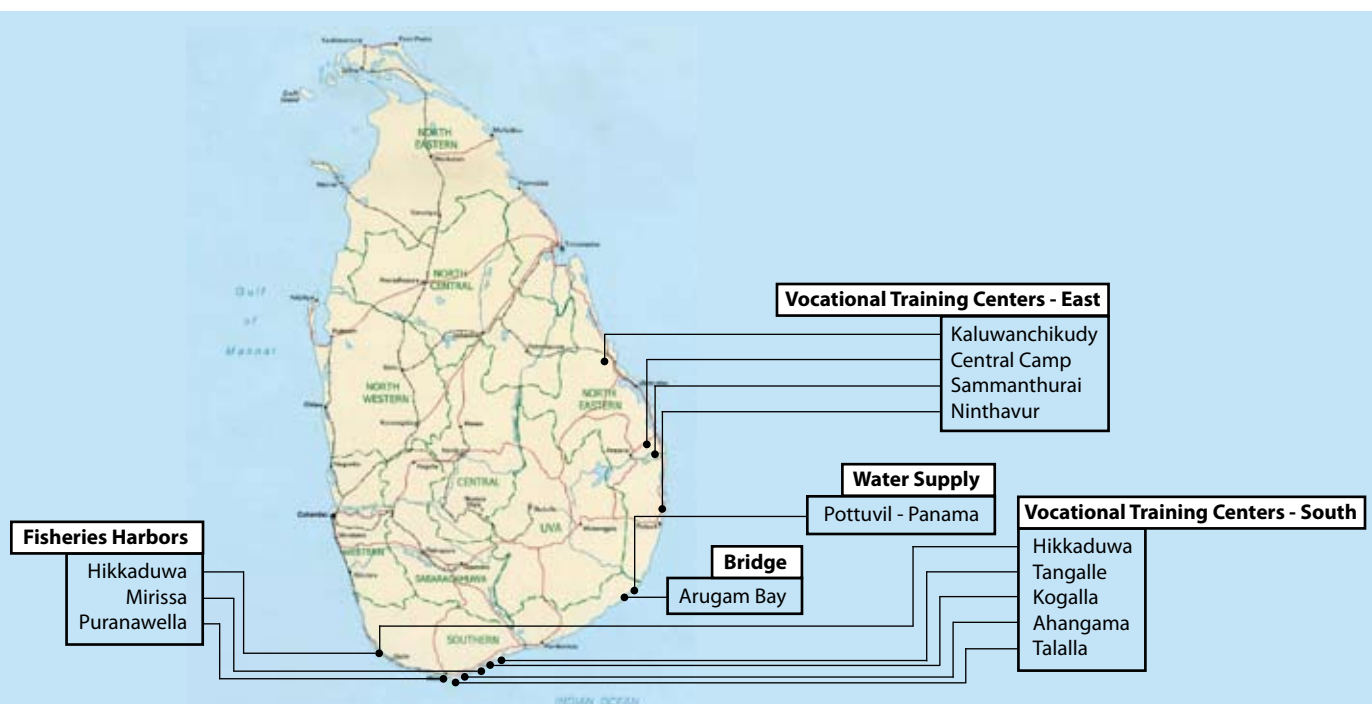
- Livelihoods assistance to 34,890 households, exceeding the target of 29,000. Trained over 8,800 persons for new employment, granted loans to over 2,000 households, and assisted more than 9,000 community organizations and businesses.
- Completed a \$2.3 million post-tsunami anti-corruption program to train over 250 members of Auditor General's office and training for trainers to reach 1,200 staff charged with preventing corruption.
- Constructed a new \$14 million Arugam Bay Bridge to link three coastal villages with strong commercial and tourism potential.
- Installed a \$8.2 million water treatment plant and delivery system in Eastern Sri Lanka to provide clean drinking water to approximately 28,000 residents and tourists in Ulla and Pottuvil, in cooperation with AmeriCares.
- Finalized a \$ 12.7 million upgrade of three fishing harbors to improve the livelihood of over 15,000



New Arugam Bay Bridge, Ampara. Photo by Sudath Silva/President's Media Unit.

families in Southern Sri Lanka to help boost the nation's fishing industry following the tsunami.

- Constructed and equipped nine new vocational educational schools (\$16.2 million), which will graduate over 2,000 students per year in Eastern and Southern Sri Lanka, teaching them key trades currently in high demand by the Sri Lankan workforce, in addition to English language and computer training. Two of these facilities are environmentally friendly LEED "green" schools.
- Constructed 87 play parks in tsunami-affected districts to provide psychological therapy for tsunami-affected children.
- Provided \$23 million in funds for small grants to help local organizations address tsunami recovery needs. The projects focused on infrastructure, livelihoods, and information dissemination and has promoted collaboration, inclusive decision-making and local needs identification.





# Promoting Public Private Partnerships 2008 - 2012

USAID strongly believes that the private sector is the important engine for economic growth in Sri Lanka and is building on its successful track record in leveraging private sector funding for relief and development following the tsunami of December 2004 to generate additional public private partnerships, foster stability, provide jobs, and jump-start much needed economic growth, particularly in Sri Lanka's Eastern Province.

USAID/Sri Lanka is unique among donor agencies in its approach to leverage private sector funding for post-conflict stabilization, and works according to this model:

USAID	PRIVATE PARTNER
<ul style="list-style-type: none"><li>- Funding</li><li>- Development expertise</li><li>- Long-term in-country presence</li><li>- Network of local and global partners</li><li>- Policy influence</li></ul>	<ul style="list-style-type: none"><li>- Capital</li><li>- Market access</li><li>- Sustainability</li><li>- Job creation</li><li>- Technical expertise</li></ul>

## Partnership for Eastern Economic Revitalization (PEER)

PEER promotes public-private partnerships to foster innovation, create jobs and increase people's incomes in both agricultural and off-farm enterprises in Eastern Sri Lanka. The areas of focus are forging demand-driven links to markets, innovative production methodologies,

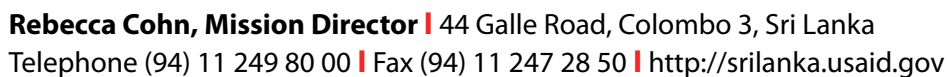
training for agriculture livestock and fisheries sectors, financial services, workforce development and applied/adaptive research.

## Recent public private partnership success stories:

- Commercial agriculture partnership with Sri Lanka's Hayleys Group linked farmers in conflict affected Eastern Sri Lanka to global agricultural supply chains, including such companies as McDonalds, Burger King, Unilever and Heinz, and increased farmer incomes by helping them switch from subsistence farming to in demand crops, such as gherkins, jalapeno peppers and pineapples.
- IT partnership with Microsoft and local non-profit technology company, InfoShare, has developed ICT based curricula to serve Sri Lanka's key industrial sectors of agriculture, apparel, media and tourism, and will train at least 11,250 students through more than 40 training centers across Sri Lanka by February 2010.
- Credit guarantees for Lanka Orix Leasing Company (LOLC) will leverage \$5 million in private finance to expand lending to entrepreneurs in Sri Lanka's conflict-affected Eastern Province.
- Partnership with Dialog Telekom, Qualcomm Wireless and Microsoft has developed 55 rural Internet centers across Sri Lanka.

Newly opened vocational schools are teaching key trades currently in high demand by the Sri Lankan private sector. Photo by USAID/Gemunu Amarasinghe.



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**Working toward a more peaceful and prosperous Sri Lanka for all citizens**